

Message Text

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PAGE 01 RABAT 06255 301416Z

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INFO AMEMBASSY JIDDA

C O N F I D E N T I A L RABAT 6255

EXDIS

E.O. 11652: GDS

TAGS: PFOR SA MO US XF

SUBJECT: CONVERSATION WITH SAUDI MINISTER OF STATE

HISHAM MUHI AL-DIN NAZIR

1. SUMMARY: IN LONG CONVERSATION WITH ME DEC 27, NAZIR SAID THAT REASON BEHIND HIS VISIT HERE WAS RISE IN KING HASSAN'S STOCK IN ARAB WORLD. ON MID EAST, NAZNIR NOTED THAT ARAB ATTITUDES MODERATING AND STRESSED THAT CURRENT SITUATION PROVIDED U.S. DIPLOMACY WITH MAJOR OPPORTUNITY. SAUDIS, NAZIR NOTED, PUZZLED BY RECENT PRONOUNCEMENTS OF U.S. LEADERS AND WONDERED IF WE HAVE MADE UP OUR MIND ABOUT FUTURE OF OUR MIDDLE EAST POLICY. ON OIL PRICING HE INDICATED SAUDIS WERE FLEXIBLE PARTICULARLY FOLLOWING ARAMCO NATIONALIZATION. ON SAUDI INTERNAL SCENE, TECHNOCRATS HAVE WON DAY THOUGH THEY RECOGNIZE AND RESPECT KING'S SPECIAL POWERS. NAZIR EMPHASIZED THAT DIALOGUE BETWEEN EMBASSY JIDDA AND SAUDI GOVERNMENT WAS EXCELLENT AND SPOKE WARMLY OF AMBASSADOR AKINS' EFFORTS. END SUMMARY.

2. OVER LUNCH AT MY RESIDENCE DEC 27, I HAD WIDE RANGING CONVERSATION WITH NAZIR, WHO HERE AT HEAD OF SAUDI ECONOMIC MISSION. NAZIR IS FORMER STUDENT AND ASSISTANT OF MINE ANND OUR MEETING WAS THEREFORE VERY MUCH IN NATURE OF REUNION. I FOUND HIS REMARKS OHFFOLLOWING SUBJECTS OF PARTICULAR INTEREST.

3. REASON FOR MISSION: NAZIR SAID THAT FUNDAMENTAL REASON FOR
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PAGE 02 RABAT 06255 301416Z

DELEGATION'S VISIT WAS TREMENDOUS RISE IN STOCK OF KING

HASSAN IN EYES OF ARABS GENERALLY AND OF SAUDIS IN PARTICULAR. ARABS APPRECIATED HASSAN'S ROLE DURING AND FOLLOWING RAMADAN WAR AND WERE GREATLY IMPRESSED BY HIS HANDLING OF RABAT SUMMIT. HASSAN'S PRESS CONFERENCE CONCLUDING SUMMIT, WHICH HAD BEEN TELEVISED THROUGHOUT ARAB WORLD, WAS MASTERPIECE, NAZIR SAID, AND KING'S BEAUTIFUL ARABIC HAD MADE PARTICULAR IMPRESSION. ALSO, KING'S HANDLING OF PROBLEM BETWEEN KING HUSSEIN AND ARAFAT HAD BEEN EXCEEDINGLY ADROIT. KING FEISAL'S ATTITUDE TOWARDS HASSAN, WHICH HAD ONCE BEEN SUSPICIOUS, WAS NOW COMPLETELY FAVORABLE, ACCORDING TO NAZIR.

4. SAUDI PERCEPTIONS OF U.S. POLICIES: NAZIR DWELT ON THIS SUBJECT AT GREAT LENGTH. YOUNG TECHNICIANS, WHO ARE NEW BREED IN SAUDI ARABIA, ARE CRITICAL OF AMERICAN POLICY IN MIDDLE EAST BUT NEVERTHELESS WANT COOPERATION WITH US. THEY REGARD U.S. AS BEING IN BEST POSITION TO HELP SAUDI ARABIA ACHIEVE ITS AMBITIOUS DEVELOPMENT GOALDS, NAZIR MAINTAINED.

5. NAZIR, WHO HAS HIS PHD IN POLITICAL SCIENCE UCLA AND WHO KNOWS U.S. POLITICS WELL, SAID THAT HE AND OTHER SAUDIS WONDER EXACTLY WHAT U.S. INTERESTS AND POLICIES ARE. HE HAS FEELING THAT WE HAVE NOT MADE UP OUR MIND AS TO WHAT OUR FUTURE STANCE IN MIDDLE EAST SHOULD BE, AND SPEECHES BY OUR LEADERS, WHICH SOMETIMES APPEAR TO HIM TO BE EMOTIONAL, DO NOT IN HIS OPINION CLARIFY SITUATION. FOR EXAMPLE, WE TALK OF RECYCLING PETRO-DOLLARS AND OF INVESTMENT IN U.S. BY PETROLEUM POWERS. THESE APPEAR TO SAUDIS TO BE GOOD IDEAS BUT U.S. MOST BE MORE SPECIFIC. U.S., NAZIR NOTED, USED TO ARGUE JUSTIFIABLY WITH SAUDIS THAT THEY SHOULD DECIDE ON WHAT THEY WANTED FOR FUTURE. NOW, HE SAID, IT IS U.S.'S TURN TO MAKE SUCH DECISIONS.

6. CURRENT SITUATION, NAZIR EMPHASIZED, OFFERED GREAT OPPORTUNITY TO U.S. DIPLOMACY. IMPORTANT THING FOR THE MOMENT, HE SAID, WAS THAT WE REMAIN COOL AND KEEP LID ON ISRAEL.

7. CHANGED ATTITUDE TOWARDS ISRAEL: NAZIR MARVELLED AT HOW ARAB ATTITUDES TOWARDS ISRAEL HAD CHANGGED. WHOEVER WOULD HAVE THOUGHT IN 1950S, WHEN WE WORKED TOGETHER AT UCLA, HE SAID, THAT ARAB LEADERSHIP WOULD EVER BE WILLING TO ACCEPT EXISTENCE OF ISRAEL AND DEAL DIRECTLY WITH ISRAELIS. YOUNGER GENERATION
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PAGE 03 RABAT 06255 301416Z

WAS TIRED OF WAR ATMOSPHERE AND READY TO ACCEPT ISRAEL EVEN ON BASIS OF 1967 FRONTIERS. OLDER GENERATION NATURALLY FINDS SUCH TOLERANCE HARDER, BUT EVEN THESE PERSONS AND PALESTINIANS BECOMING MORE REASONABLE.

8. SAUDI OIL PRICING POLICIES: NAZIR ASSERTED THAT OIL PRICES WERE NEGOTIABLE, ESPECIALLY NOW THAT SAG ASSUMING FULL CONTROL OF ARAMCO. HE FELD THAT POSTED PRICE COULD BE REDUCED BY

40 CENTS. HE IMPLIED THAT MOVES IN THIS DIRECTION ALREADY UNDERWAY, CITING THE EXAMPLE OF FRG, WHICH, HE SAID, WAS TO PAY ONLY 90 PER CENT OF POSTED PRICE.

9. DIVERSIFICATION OF SAUDI ECONOMY: NAZIR EXPRESSED IRRITATION WITH TENDENCY OF FOREIGN OFFICIALS AND BUSINESSMEN TO TALK ONLY ABOUT OIL IN RELATION TO SAUDI ARABIA. JAPANESE, HE RECALLED, HAD KEPT HIS HOTEL ROOM COLD TO PLAY UP FUEL SHORTAGE. ON OTHER HAND, RESEARCH HAD PRODUCED FINDINGS OF SEVERAL OTHER MINERALS, INCLUDING COPPER, IRON, AND GOLD. THERE WAS NEED TO BEGIN NOW TO DEVELOP THESE OTHER MINERALS, PREFERABLY IN COOPERATION WITH AMERICAN COMPANIES. THE UNITED STATES, NAZIR CONTINUED, WAS STILL THE FAVORED INVESTMENT AREA FOR SAUDI ARABIA; HOWEVER, TALK IN U.S. ABOUT LEGISLATION AGAINST ARAB INVESTMENT WAS DISTURBING. NAZIR RECALLED IN NEGATIVE VEIN THAT FRG CHANCELLOR SCHMIDT HAD BEEN FURIOUS WHEN HE HAD HEARD ABOUT ARAB ACQUISITION OF DAIMLER BENZ STOCK.

10. INTERNAL SITUATION IN SAUDI ARABIA: ATTITUDE OF DISCOURAGEMENT AND HOPELESSNES, WHICH HAD PREVAILED IN 1950S AMONG SAUDI TECHNOCRATS DURING IBN SAUD'S RULE, HAS PROFOUNDLY CHANGED WITH MORE ENLIGHTENED POLICIES OF FEISAL. YOUNGER TECHNICIANS HAVE, IN NAZIR'S OPINION, WON DAY. THOUGH ALL RECOGNIZE AND RESPECT FEISAL'S SPECIAL POWERS, CABINET AND TECHNOCRATS ARE NOW STRONG AND THEIR COUNSEL IS HEEDDED. ALL ARE AGREED ON OVERWHELMING NEED FOR DEVELOPMENT, AND THIS MEANS THAT SIMPLY TO BE A PRINCE IS NOT ENOUGH TO ASSURE ONE OF HIGH POSITION IN GOVERNMENT. NOW NECESSARY TO TAKE BEST QUALIFIED MAN. (NAZIR, WHO IS OF HUMBLE BACKGROUND, IS GOOD CASE IN POINT).

11. VESTIGES OF OLD GUARD STILL VERY MUCH IN PLACE ACCORDING TO NAZIR ARE SAUDI AMBASSADORS ABROAD. NAZIR SAID HE FOUND IT ESSENTIAL WHEN HE TRAVELLED ON OFFICIAL BUSINESS TO BE CONFIDENTIAL

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PAGE 04 RABAT 06255 301416Z

HIGHLY DEFERENTIAL TO THESE MEN WHO HAD GROWN UP WITH KING AND WERE THEREFORE DIFFICULT TO DISLODGE. BAROODI IN NEW YORK, HE NOTED JOKINGLY, COULD NOT EVEN BE REMOVED BY KING. ONLY GOD HAD SUCH POWERS. IF AMBASSADOR NOT GIVEN THEIR DUE, THEY WERE SURE TO BE UNCOOPERATIVE, A SITUATION WHICH NAZIR, AS A BRASS TACKS MAN, FINDS HARD TO ACCEPT.

12. NAZIR SAID HE WAS OF TWO MINDS ABOUT PROPOSAL FOR ESTABLISHING CONSULTATIVE ASSEMBLY IN SAUDI ARABIA. HE PROFESSED HIMSELF VERY MUCH A BELIEVER IN DEMOCRACY BUT WAS CONCERNED THAT, IF REPRESENTATIVES DEMOCRATICALLY CHOSEN, THEY MIGHT NOT BE SORT OF PERSONS BEST EQUIPPED TO PUSH SAUDI ARABIA DOWN ROAD TO MODERNITY.

13. COMMUNICATIONS WITH USG: NAZIR MADE SPECIAL POINT OF

STRESSING OPEN AND CONSTRUCTIVE NATURE OF DIALOGUE BETWEEN
EMBASSY JIDDA AND SAUDI GOVERNMENT, AND SPOKE WITH
PARTICULAR WARMTH OF EFFORTS OF AMBASSADOR AKINS ON BEHALF
OF US-SAUDI RELATIONS.
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